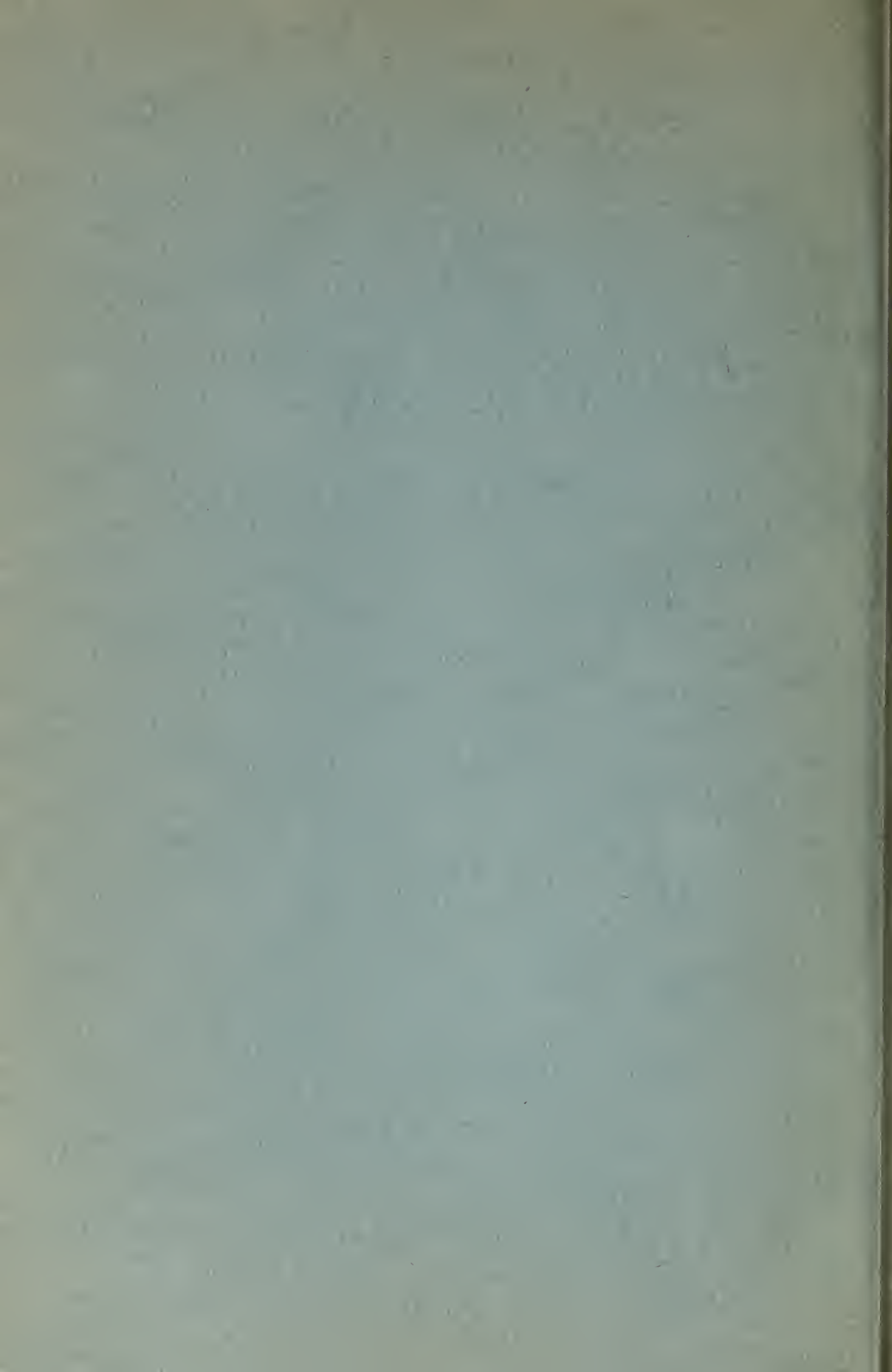

IN THE
United States
Circuit Court of Appeals
 FOR THE NINTH CIRCUIT.

<p>Fred Stebler, <i>Complainant-Appellant,</i> <i>vs.</i> Riverside Heights Orange Grow- ers Association and George D. Parker, <i>Defendants-Appellees.</i></p>
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No. 2772.
 On Complainant's Cross-
 Appeal From Final
 Decree.

Complainant's Opening Brief on Cross-Appeal.

FREDERICK S. LYON,
Solicitor for Complainant-Appellant.



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Complainant's Opening Brief on Cross-Appeal.

This is a cross-appeal taken by complainant from the final decree entered by the District Court October 30, 1915, after a hearing upon both complainant's and defendants' exceptions to the report of the Special Master.

Complainant's bill of complaint was filed May 24th, 1910, and alleged an infringement of claims 1 and 10 of reissue letters patent No. 12297, dated December 27, 1904, for fruit graders.

From a decree dismissing the bill of complaint on the ground that the patent in suit was not infringed by the defendants, complainant appealed and this court reversed said decree and ordered an interlocutory decree granting the injunction prayed for and referred the cause to a Special Master to take and state an account of the profits derived by defendants from the infringements and to assess the damages suffered by complainant.

205 Fed. 735.

Defendants filed a petition for *certiorari* in the Supreme Court of the United States seeking a review of this order of this court. This was denied.

After the entry of the interlocutory decree defendants moved the trial court to enjoin the prosecution of certain suits brought by complainant for injunctions against users of infringing machines purchased from defendant Parker. The lower court granted such motion upon defendants executing bond to cover all profits and damages. From the allowance of such injunction complainant appealed to this court. This court modified such injunction and confirmed it. In so doing this court construed the interlocutory decree in this case, and the construction placed upon such decree became the rule of law in this case.

214 Fed. 550.

After the decision of this court in 214 Fed. 550 the accounting was taken before the Special Master who filed his report [Transcript pp. 284-328] finding that complainant should recover from the defendant Parker the sum of \$5,232.85 as the profits and gains made by

defendant George Parker from the manufacture and sale of machines infringing the patent in suit; that complainant should have and recover from the defendant George D. Parker the sum of \$6,237.35 damages; that the complainant recover jointly from the defendants the sum of \$585.05 damages, this joint judgment being included in the damages awarded against the defendant Parker individually.

On the accounting it was shown that the defendant Parker had made and sold twenty graders of a construction differing *in detail* from the grader of the Parker patent, considered by this court in 205 Fed. 735. The Special Master examined two of these modified graders in actual service and heard the oral evidence in regard to their construction and operation and a comparison thereof with the machine embodied in the drawings of the patent in suit. The Special Master also inspected machines constructed in exact accord with the drawings of the patent in suit and the machines held by this court in 205 Fed. 735 to be an infringement. The Special Master found the modified machines to infringe.

Complainant's Exceptions.

COMPLAINANT'S FIRST EXCEPTION:

Complainant's first exception is to the finding that the "overhead expense" of the business of manufacturing and selling the infringing graders carried on by the defendant Parker was the sum of \$4,120.05, or any other sum. This exception is founded upon the fact that in order to avoid expense and save time a certain stipulation was entered into between the parties.

The proceedings in connection with this stipulation are found upon pages 117 to 123 of the Master's Report.

The specific point that complainant makes is that while for the stipulated period to be taken as a test in order to secure the percentage or pro rata of "overhead" expense chargeable to the grader business as distinguished from the total business of the defendant Parker, the total business in dollars and cents of defendant Parker during such period has been set out and stipulated, and the total "overhead" expense has been set out and stipulated, yet there is no proof nor any stipulation as to the volume or amount, in dollars and cents, of grader business during that period, and, therefore, under the stipulation there is no possibility of computing the percentage referred to. In other words, only two instead of three members or parts of the problem in proportion are given and no example or problem in proportion can be worked with only two of the factors known.

The stipulation [Transcript of Evidence before the Master, p. 121] is that the period from March, 1912, to and including March, 1913, shall be taken for the basis of comparison and figuring the percentage of overhead expense. It will be noted that the total amount of sales of graders, or the total amount of grader business during this period is not stipulated, nor is it set forth in any of the sworn statements filed on behalf of the defendant Parker. The infringing sales of graders extended over the years 1910, 1911, 1912, 1913 and 1914.

On page 23 of the Master's Report the Master says

that "the entire gross expense of running the business of the defendant was given, and also the gross receipts of the entire business and the gross receipts from the manufacture of the infringing device." The difficulty with this finding is that it does not follow the stipulation or the evidence. It was agreed that the period between March, 1912, and March, 1913, should be taken as the basis of figuring the comparative "overhead" expense of the grader business on the old style or Parker patent type, and there is no showing as to the amount of grader business conducted by the defendant Parker between March, 1912, to and including March, 1913. There is no segregation of the grader business done by the defendant Parker during this time. This same objection also holds as to the period between April, 1913, and April, 1914, for the statement of the grader business done in connection with the new type or modified Parker machines only covers the period from November 7th, 1913, to and including August, 1914. It is, therefore, under the evidence, impossible to find the necessary elements, either stipulated or proven, upon which to base this proposition, and inasmuch as the defendant Parker assumed this burden, the failure of proof in this regard requires the rejection of any allowance of overhead expense as offset to any gross profits of the infringing business. In this connection it will be readily seen from pages 181 to 187 of the Transcript of Record of the testimony before the Master, that the defendant Parker assumed this burden. It is submitted, therefore, that no allowance of overhead expense can be deducted from the gross profits.

COMPLAINANT'S SECOND EXCEPTION:

In this case an injunction has been issued, restraining the prosecution of thirty-one suits brought against purchasers and users of the Parker patented graders purchased from defendant Parker. The decision of this court upon the grant of this injunction is found in 214 Fed. 550, and the decision of Judge Wellborn in 211 Fed. 985. The theory upon which this injunction was issued was that in this case the complainant should recover, and recover *all* that he had lost by means of the infringement. The evidence conclusively proves and this court has found, as well as the law presuming, that if it had not been for the infringement the complainant would have sold one of his *complete* machines to each of the purchasers of infringing machines. It is, therefore, apparent upon the face of the proposition that if the machines in the hands of the users are to be freed from any claim of the complainant, the complainant must recover all that he would have made had there not been an invasion of his patent rights and a wrongful appropriation of his business by the defendant Parker. There is not a scintilla of evidence to show that the complainant would have licensed the defendant Parker, nor a scintilla of evidence that the complainant would have sold only parts of such machines to the users.

This court says: "The plaintiff derives his profits "from the manufacturing and sale of the fruit grading "machines covered by the patent. This profit consists "of the difference between the cost of manufacture and "the price for which he sells the machines." One of the great objects of the accounting is to totally free

the machines in the hands of the users and they cannot be freed unless the complainant is entirely recompensed for all loss or damage suffered by him by reason of his loss of trade through the sale of the infringing machines. *The infringing machines were sold as a whole.* Not parts or portions of graders were sold by defendant, but whole machines, and there is no presumption that the sales by defendant simply deprived complainant of sales of parts of machines.

The Master has found that at a time prior to the infringement by defendant complainant sold incomplete graders, to-wit, the fruit runway alone, for \$175.00 and that complainant's cost of manufacture of that portion of the machine was \$57.99, whereas, the evidence shows that the complete machines were sold for \$425.00, and the gross cost of manufacture, installation, and sale was \$236.05 per machine (if an overhead expense charge of \$8.50 be added to the actual cost of manufacture, installation, and sale), making a profit to complainant upon the manufacture, installation, and sale of each complete grader of \$188.95. The difficulty with the Master's reasoning is first this: that there is no evidence that during the term of infringement the complainant sold simply the runway portion of the machine alone. The facts and the proofs are otherwise. *The machines were sold as a whole.* The attempt of the Master to apportion as a part of the machine *only a part of it as patented* rests upon an entirely erroneous theory and basis. It rests upon the basis that the said patent does not cover the grader as a whole and this theory is easily seen to be fallacious, when it is considered that neither claim 1

nor claim 10 of the patent in suit specifies any means of supporting any of the devices referred to as the principal elements of such combination. To so construe these claims would be to render the claims void as for incomplete combinations and as calling only for so many and such parts as would not make up a complete or operative device, thereby rendering the claims void for inoperativeness and uncertainty, a position which neither the Master should have taken nor this court can take in view of the final determination by this court that the claims are valid.

It is to be noted that if the claims are to be construed on this accounting as covering nothing more than the parts therein specifically referred to, or in other words, covering only the parts to which the claims are limited by actual words, then the claims do not cover a machine at all, but simply cover a plurality or series of rollers, a non-movable groove guide, and a rope in the guide. The guide is a piece of wooden material which will not stand in the air—it must be supported. The rope to perform any function must be pulled along or driven, and if the claims are thus construed it is readily seen that they do not make up a fruit grader, yet this is the logical construction under the Master's Report of such claims. It is readily seen by inspection of the drawings of Mr. Strain's preferred embodiment of the invention that this wooden guide is properly supported; that the belt is driven by means of proper pulleys and shafting, and that the rollers are driven or rotated by means of belts and shafting, and that suitable bins of some kind are provided to receive the separated fruit, otherwise after the sep-

aration of the fruit it would all roll together again on the floor and the utility of the machine would be missing. Such a construction cannot be placed upon the claims of the patent. The claims are for a certain combination "*in a fruit grader*" and it is clear that a guide and rope and a plurality of rollers without means for mounting or supporting the same do not form any fruit grader. The rule of construction of patent claims is that the term "*in a fruit grader*" implies all of the other necessary parts to make up an operative machine. The claim by such reference does not limit the scope of the claim to any particular type of such means or mechanism, but some means or mechanism for these purposes is implied as necessary and is considered as within the claim. Complainant submits, therefore, that it is just as fair to exclude complainant's profit on the pulley and on the supports or legs upon which the machine rests as it is to exclude the profit which he made *upon erecting the bins which receive the fruit* or any other portion of the machine, and in this is the real error of the Master's Report with respect to the question of damages.

Passing for the present the question of overhead expense of \$8.50 per machine for the purpose of deduction hereafter, and figuring the damages in accordance with complainant's sworn statement, the following is submitted:

The statement filed by complainant [Complainant's Exhibit 5, pp. 237-242 Transcript of Record] is admitted and stipulated by defendants to be a true statement of complainant's cost of manufacture (and sale), with the reservation of the items of overhead expense

set forth in the statement at \$8.50 per machine submitted to the Master for his determination. Complainant will assume this allowance as thus fixed by complainant's statement and testified to by complainant to be correct, and submits that the cost of a complete machine as marketed by complainant is \$236.05. Complainant's proven sale price (his established price at the time of the commencement of the infringement and throughout the term thereof) is \$425.00. [Record p. 39.] Complainant's profit on the sale of a machine is, therefore, \$188.95. On a small size, single, or half machine, the cost is one-half the cost of the large machine, or \$118.02. The established sale price thereof is \$225.00 [Record p. 39], and complainant's profit on such small size, single, or half machine is \$106.98.

Defendant Parker's original statement shows he made and sold seventy-two (72) large, double, or whole sizers and thirteen (13) small, single, or half sizers or graders, to which latter, however, must be added one small size, single, or half grader sold to Benchley Fruit Company and omitted from statement. [Parker's testimony, Record p. 51, Q. 2-3.] These are all machines of the type of Complainant's Exhibit "Parker Patent." Complainant's damages by reason of the deprivation of sales of these machines are therefore
Profit of \$188.95 on each of 72 machines. . . \$13,604.30
Profit of \$106.98 on each of 14 machines. . . 1,497.72

In addition to these machines the evidence shows that defendant Parker sold two large or whole machines and two upper or grade-way parts only, for shipment to Porto Rico. On these complainant's profits would have been, and therefore his damage is

Profit of \$188.95 on each of 2 machines. . . . \$	377.90
Profit of \$126.12 on each of 2 grade-ways. . .	252.24
Making a total damage on machines sold by defendant Parker of the type of Complain- ant's Exhibit "Parker Patent"	15,732.16

In computing the profits lost by complainant by the sale by defendant Parker of the two upper portions or grade-ways in the Porto Rico sales, complainant has taken the cost of \$61.49, as shown in complainant's statement to be the total cost of the grade-ways shipped and installed, and excluded therefrom the items of cost of labor for erection \$10.00 (as machines shipped to Porto Rico were shipped in "knocked down" condition), the cost of freight \$1.61 (as the machines were sold F. O. B. Riverside), and the cartage of \$1.00 for the same reason. Eliminating these items from the cost of the machines as set forth in complainant's statement, shows the actual cost of the parts sold to be \$48.88.

Defendant Parker has filed a supplemental statement showing the sale of eighteen (18) large, double, or whole sizers of the new style and two (2) small or single sizers of the new style or modified type. These being infringements deprived complainant of sales and profits, and he is entitled to damages on account thereof as follows:

Profit of \$188.95 on each of 18 machines. . . . \$	2,401.10
Profit of \$106.98 on each of 2 machines. . . .	213.96

Recapitulation of Damages.

TYPE OF PARKER PATENT.

72 machines at \$188.95	\$13,604.30
14 machines at \$106.98	1,497.72
2 Porto Rico machines at \$188.95	377.90
2 Porto Rico grader runways at \$126.12 ..	252.24

NEW TYPE.

18 machines at \$188.95	2,401.10
2 machines at \$106.98	213.96

Total damages\$18,347.22

There are no "unpatented features" of the machines in controversy as manufactured by either complainant or defendant Parker within the alleged rule of law asserted by defendants. On the contrary, both of the claims held to be infringed call for a complete machine, to-wit, a fruit grader. It is true that these claims do not point out each and every one of the pieces of wood, bolts, screws, pulleys, etc., which are to comprise the machine in its completeness, but only point out the novel features requisite to embody in such machine the inventive idea produced by Robert Strain. The object of the machine or grader is to separate the fruits according to their respective sizes. The Strain reissue patent shows the bins which are a necessary part of the machine to permit or enable the machine to operate to effect its purpose. Without some kind of bins or without partitions separating the bin spaces into separate receptacles the machine would be without utility. It is true that the Robert Strain patent, so far as claims 1 and 10 are concerned, is not limited

to a specific construction of bin, but bins are required to make the invention operative. It would be as correct and accurate to contend that the means, to-wit, the drums and pulleys, for driving the belt members are not a part of the "patented features" within the meaning of defendant's rule, as it is to contend that the bins are not a part of such so-called "patented features." It is true that so far as the scope or breadth of the claims is concerned, it is immaterial what particular construction of either *bins* or of *means for driving the belt members* are employed, but some construction of bins as well as some construction of such driving means must be employed to embody in the machine Robert Strain's invention for his invention was a fruit grader—a machine for separating the fruits according to their sizes, and as said by Robert Strain in his specification:

"Below the grade-rollers are as many bins V as "there are grade-rollers, which are adapted to *hold* the "fruit which will pass between the grade-roller and "guide." [Strain Specification, p. 1, lines 61-64.]

"If there should be a large quantity of the fruit of "a single grade intermixed with a small quantity of "fruit of different grades, this feature is very desirable, as a number of *bins* may be filled with fruit of "the same grade." [Strain Specification, p. 2, lines 16 to 21.]

In the drawings Robert Strain shows "bins V" for holding in separated condition the respective sizes or grades of fruit. To say that the bins are no part of the Strain grader is thus demonstrated to be a fallacy.

If then the bins are a part of the Strain grader and defendant Parker has provided bins for this same purpose, it cannot be said that the bins he provided do not form a part of the "patented features." It is immaterial whether the bin construction that Parker has used is the same bin construction that is shown or described in the Strain patent. This suit is not based upon a particular construction of bin, and the bin feature is merely incidental. It is a necessary feature, but it is immaterial what its particular construction is. The defendants' position is not well taken as applied to this accounting for another reason which, if the question were an open one for the Master to determine, would be decisive of the defendants' contention.

In this connection it is to be noted by reference to Complainant's Exhibit Number 5 that the portion of the machines which is included in the Master's estimate of damages includes the sprocket chain, the rope sheaves, the gears, and all of the parts for mounting the plurality of rolls or rollers, the groove guide and the rope, and means for driving the rope. Why were these parts part of the combination, although not specified therein, and why were not the bins or the rest of the complete machine a part of the combination? If the term "in a fruit grader" implies part of these parts and included within the claim for the purpose of accounting, why are not all of the parts necessary to make a complete machine included? Complainant does not contend that either of these claims specify or claim or are limited to a specific kind or construction of sorting means or bin construction, but does contend

that such parts are included in the general term "in a fruit grader," and for the purpose of accounting the profits on the machine as a whole should have been figured so that within the rule of our Circuit Court of Appeals, the complainant shall recover from the defendants "full compensation" in the form of his profits, which consist of the difference between the cost of manufacture and the price for which complainant sells the machine, the Court of Appeals having found that "the plaintiff is a manufacturer and seller of the machines covered by his patent, and the sole profits which he derives from his patent are those arising from the manufacture and sale of the machines covered thereby." If this language is construed as limited to a part only of the machine manufactured by complainant and sold by him, the finding of the Court of Appeals is construed so as to be incorrect in point of fact, for the evidence shows that the defendant, by virtue of the fact that he controls this complete machine sells the complete machine and makes a large profit on the complete machine, that is found by the Master.

This is not a case where the patented combination is an attachment to a pre-existing machine and the market value of the machine as a whole is only partially enhanced by the patented attachment. The patent covers a fruit grader as a whole. The Master has found that "The defendant should make good the depreciation in the value of the plaintiff's enjoyment and use of the invention which his own wrongful act has caused." It does not appear from the Master's finding what portion of the machine he includes in his

finding on page 28 that complainant's selling price was \$175.00 each and his cost was \$57.99 each. The proofs show a sale price of \$425.00 for each complete machine, and Complainant's Exhibit 5, pages 1 and 2, show the itemized cost of building or making, erection, and sale of the complete machine—this entire cost at \$236.05, which includes two items aggregating \$8.50 overhead expense. The entire cost of manufacture then is \$227.45. Tabulating this in the same manner as Schedule "C," page 29 of the Master's Report, we have

Selling price of 105 sizers at \$425.00 each . . .	\$44,625.00
Net manufacturing cost of 105 sizers to plaintiff, as shown by Plaintiff's Exhibit 5, after deducting overhead expense item of \$8.50 from \$236.05	23,892.75

Profit to plaintiff not allowing any overhead
expense \$20,732.25

Complainant submits that the damages in this case for the total of 105 machines, including both the Parker patent type and the new or modified type of machines, is then \$20,732.75.

If the Master's Report is sustained against complainant's third exception this will be reduced by the Master's allowance of \$815.85 "overhead expense," leaving a net damage of \$19,916.40.

The Master has found and the proofs show that the defendant Parker sold twenty (20) of his new style or modified Parker graders and eighty-five (85) machines of the Parker patent type, held to be an infringement by our Circuit Court of Appeals.

COMPLAINANT'S THIRD EXCEPTION :

This exception relates to the allowance or deduction as proportionate overhead expense of complainant's grader business in the sum of \$815.85. The exception to this is based upon the following theory: That the evidence shows that complainant's plant was in all respects adequate to have enabled him to manufacture, and his entire equipment sufficient to enable him to have sold and installed the 105 graders manufactured and sold by the defendant Parker during the four years and a half covered by the Master's accounting; that no additional buildings, machinery, equipment, tools, insurance, taxes, or any other overhead expense in the true sense would have resulted from any such increase to complainant's business. It is further shown in the evidence that all of these items which naturally go to make up the overhead expense of complainant's business have been actually paid out of the proceeds of complainant's business. Therefore, complainant has borne this overhead expense *and should not have had to bear it again* if he had manufactured during these five years these 105 machines; that is to say, that as a matter of fact complainant has paid this \$815.85 overhead expense which is thus deducted by the Master from complainant's profits, so that complainant has in fact lost this part of the proportion of overhead expense by the deprivation to him of these sales. In other words, the proportion of \$815.85 as the amount of overhead expense which would otherwise have been charged against the manufacture of these 105 graders is in reality the dividing up of an overhead expense which complainant has sustained, borne, and paid, and

which would not have been increased if he had increased his business to the amount of 105 machines. In other words, complainant's position is that the Special Master's finding compels him to bear and pay this \$815.85 of overhead expense twice.

There is another aspect to this overhead expense charge of the Master against the complainant's damages. In this connection complainant desires to emphasize the fact that every stick of material, every bit of machine work, every item of labor, every item of drayage, or other expense, either in the making or erection in place of these machines is set forth in detail in Complainant's Exhibit 5, showing the cost of these machines to be \$227.55, eliminating the two items aggregating \$8.50 as overhead expense, and the fact is that this is exactly the loss to the complainant. If this infringement had not occurred not only would complainant have sold these machines at the price of \$425.00 without any increase to his overhead expense, but he would have sold large amounts of other packing house equipment which went to make up the contracts as a whole. This is illustrated by the contracts offered in evidence by complainant before the Master. The contracts of the defendant show that the equipment was ordered as a whole for the whole packing house.

COMPLAINANT'S FOURTH EXCEPTION:

This exception brings before the court the interpretation by this court, as reported in 214 Fed. page 550, of the interlocutory decree entered in this case under the mandate of this court, and under which this accounting is being taken. Complainant insists that this

decision and opinion is the law of this case and that it is the interpretation (by the court of last resort which ordered this interlocutory decree) of the legal intentment and effect of such decree and that this court is bound by such interpretation and is to look to such interpretation as the law of this case and not to other decisions of other courts in other cases.

Complainant's position is that this court directed a recovery in favor of complainant of *both profits* realized by the defendants or either of them *and the damages* suffered by the complainant. If this position is correct it is clear that the Master's theory is wrong for he has awarded to complainant the profits realized by the defendant Parker and such portion of the damages suffered by complainant as exceed the profits realized by the defendant Parker. The Master finds complainant's damages to be the sum of \$11,470.20. If he had found in complainant's favor for damages alone he would have directed judgment in favor of complainant for \$11,470.20. Did he follow the interpretation placed by the Circuit Court of Appeals upon this decree and grant complainant both profits and damages when his recommendation of profits and damages amount only to the sum of \$11,470.20, the amount of damages which he found complainant had suffered? The Circuit Court of Appeals has said that complainant's damage is the profit which he would have made had he made the sales. Then if complainant is entitled also to defendants' profits something must be added. The Master has found defendant Parker's profits to be the sum of \$5,232.85. Is it not logical to say that if complainant is entitled to both the damages he has

suffered and the profits that defendant Parker has made there should be an addition to the sum of damages, not that when the computation is completed the amount shall be simply the damages? It is believed that the court fully understands complainant's position in regard to this exception from the oral argument. Complainant's position is fully sustained by the interpretation given to the decree herein by this court, which says:

"In the present case, not only has it been decreed "that the plaintiff is entitled to actual damages suffered by him by reason of the infringement of his "patent, but he has also been awarded the profits received by the defendants by reason of such infringement."

214 Fed. 550, p. 555.

The decree awards complainant *both* the profits derived by defendants and the damages sustained by complainant. No appeal from such award has been taken by defendant and the decree stands unimpeached. The sole question before the court at this time is— Does the judgment as entered award complainant *both* the profits and the damages or only in effect the damages?

The Master found the damages to amount

to\$11,470.20

The profits to amount to 5,232.85

The decree awards as damages only\$ 6,237.25

Clearly this does not follow the decree.

Conclusion.

Complainant therefore submits:

FIRST: Complainant's first exception must be sustained as no proof or showing has been made upon which the proportion of so-called "overhead" expense of defendant Parker's business chargeable to the infringing grader business can be determined in accordance with the stipulation, which stipulation is the rule of law of the case in this regard.

SECOND: Complainant's second exception must be sustained. To hold otherwise is to permit the defendant Parker to realize gain from his own wrongful act. To hold otherwise is not to follow the decision of our Circuit Court of Appeals (214 Fed. 550) construing the interlocutory decree herein and in which it is definitely stated and held that complainant's damages are the profits which he would have made from the sale of the complete machines.

In the case of *Yesbera v. Hardesty Mfg. Co.*, 166 Fed. 120, 125, the Circuit Court of Appeals says:

"Now when we remember that there are two
"classes of patents, one for simple elements, and
"another for combinations of elements, and the
"distinguishing characteristics of the two classes,
"it is readily seen how impossible it is to apply
"this language to the other class of patents than
"those of the class specified. In a combination
"patent there are no unpatented features in the
"sense that they are separable from patented ones,
"and no one of the elements is patented. They
"may all be old and not patentable at all unless
"there is some new combination of them. The

“point to be emphasized is that the law looks not
“at the elements or factors of an invented com-
“bination as a subject for a patent, but only to
“the combination itself as a unit distinct from its
“parts, and in such case there could be no com-
“parison of patented or unpatented parts.”

The Master has found:

“It is not a fact that the whole of Strain’s invention
“resides in the traveling belt and adjustable rolls, but
“it extends to all other parts of the grader.”

This brings this case within the authority of *Brennan & Co. v. Dowagiac Mfg. Co.*, 162 Fed. 472. In that case the court said:

“The claims of the patent in suit are not re-
“stricted to single things, but some of them—the
“first, for instance—include the several elements
“which go to make up the seeding part of a drill,
“in combination. It covers them all as one whole.
“Every one is made material by including it in
“the combination. The spring devices are not
“thereby patented. For the purpose of the claim
“and the patent thereon, they are on the same
“footing with all the other parts of the drill, how-
“ever old and common they may be. Any one
“might make and sell each and every part, or
“any lesser or larger combination of such parts,
“including the spring device, without infringing
“the patent, provided, of course, they are not in-
“tended to contribute to the making up of the
“entire combination covered by the patent. But
“one part in a combination is no more patented
“than another. All in association are patented.

“The parts of a drill consist of a carrier, a seed
“box or reservoir, and the seeding apparatus. It

“is to the latter that the attention of inventors
“has been principally directed. The carriers and
“the seed box are old and simple. Of them it is
“enough to say that no one appears in this case
“to have any patent on them.

“The case here is not a patent for an improve-
“ment upon another article, which does not cover
“that other article, but only the improvement made
“upon it. The patentee cannot in such case ex-
“tend his invention over the thing improved, if
“the latter is patented. If not, he may appropriate
“it, as others of the public may. The distinction
“is well illustrated by the improvement of the
“harvester in *Seymour v McCormick*, 16 How.
“480, 14 L. Ed. 1024. When, therefore, the de-
“fendant sold one of the plaintiff’s machines, he
“sold that which in all its associated parts was
“covered by the patent; and a dowagiac drill,
“without the Hoyt patented combinations, would
“be but the fragment of a drill and have no dis-
“tinctive character. The invention was not an
“addition to an otherwise complete machine.”

See also

Crosby Valve Co. v. Safety Valve Co., 141
U. S. 441.

THIRD: Complainant’s third exception must be sus-
tained. To hold otherwise is to compel complainant
to twice bear or pay this item of so-called “overhead”
expense.

FOURTH: The decision of this court, reported in
214 Fed. 550, is the law of this case, and this question
is not an open one here which can be here reviewed.
This decision ordered a recovery of both the profits

made by the defendants and the damages suffered by complainant and determined the measure of complainant's damages as "the difference between the cost of "manufacture and the prices for which he sells the "machines." (214 Fed. 554.) To award complainant defendant's profits and part of complainant's damages is not to award the defendant's profits and the complainant's damages.

Resume.

For the convenience of the court, the following statement is appended to show the change in dollars and cents in the judgment rendered herein in case of the sustaining of the respective exceptions:

1. If complainant's first exception is sustained and complainant's fourth exception overruled, no change whatever would be made in the amount. The first exception involves the sum of \$4,120.05 profits, but if the whole profits derived by the defendant Parker are allowed and taken from the whole damages suffered by complainant, as is shown in manner of computation by the Special Master increasing the amount of profits by the sum of \$4,000.00, would not affect the final result. If, however, exceptions one and four are both sustained, the effect of exception one is to increase the amount \$4,120.05.

2. If only complainant's second exception is sustained, the damages found by the Master will be increased to the sum of \$19,916.40, being the loss of profits on the machines as a whole and not excluding the bins.

3. If complainant's third exception only is allowed, it will simply increase the damages by the sum of \$815.85.

4. If complainant's second and third exceptions are allowed the total damages will be increased so as to amount to \$20,732.75.

5. If complainant's fourth exception is allowed it will require the *addition* of the amount of profits realized by the defendant to the amount of damages instead of a subtraction therefrom as computed by the Special Master.

It is believed that the court will find each of the items figured in the foregoing recapitulation correct.

In conclusion, therefore, it is submitted that the total damages should have been found to amount to the sum of \$20,732.75 and that the total profits should have been found to amount to \$9,352.90.

Inasmuch as the present decree leaves the defendant Parker an actual profit from the sale of the infringing machine and a gainer by the infringing acts and, in fact, leaves the complainant an actual loser of profits which he would have made had the infringement not taken place, it is seen that full justice has not been done by the decree appealed from.

Respectfully submitted,
FREDERICK S. LYON,
Solicitor for Complainant-Appellant.

